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August 4, 2004

Daron R. Haddock
Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

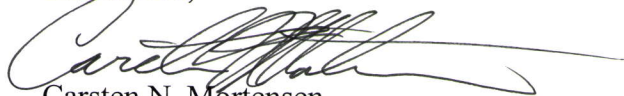
Dear Mr. Haddock:

Several weeks ago, Lynn Kunzler from your office came on a sight visit of our plant and walked the disturbed area of our plant and mapped it with a GPS. He included this area with an area that he and I had previously walked and mapped with his GPS that shows the new area that we are stripping and an area that we plan to strip in the future. The total of these maps is the 70.4 acres that you referenced in your letter of July 30, 2004. Since Lynn was here, I have been in contact with the people that own 6 acres in the SW of the SW corner of Sec. 8, T1S, R5E next to the area that we are currently mining. If negotiations go the way we would like them to, we would want to start mining this area as soon as the proper permits and permissions are acquired.

After visiting with Lynn yesterday, Aug. 3, 2004, we would like to amend our contract to include the above referenced area. We would also like to transfer acres in the existing mapped area that won't be mined for years for the new piece that we want to move onto.

When Lynn was here several weeks ago, he made a GPS map of our plant areas and included it with the areas that we have started into. He is going to send an electronic copy to me to use for your requested map. I have set up an appointment with Lynn on Aug. 17, 2004, to come and inspect the area and again map with his GPS the new area that we would like to move into. We would then include that area into our mine plan, correct our map for you and send the new contract for you to have signed and executed. This is a recommendation from Lynn and makes sense to me. Let me know if there is anything else we need to do.

Thank You,


Carsten N. Mortensen,
President,
Utelite Corp.

RECEIVED

AUG 09 2004

DIV. OF OIL, GAS & MINING